



Beaverton Urban Redevelopment Agency

Budget Committee Meeting Minutes

May 31, 2016

BURA Chair Jim McCreight called the meeting to order at 5:31 p.m. at the Beaverton City Hall on May 31, 2016. BURA Budget Committee members attending the meeting were Jim McCreight, Jennifer Nye, Suzanne Dawson, Jerry Jones, Alejandra Dominquez, Paul Cohen, Doug Menke, Marc San Soucie, Jude Hughes, Mark Fagin, Mayor Denny Doyle, and Scott Winter.

The members absent were Inessa Vitko, Ann Snyder, Betty Bode, Lacey Beaty, Domonic Biggi and Cate Arnold.

Staff members attending the meeting were Cheryl Twete (BURA Executive Director and Community Development Director), Cadence Moylan (Development Division Manager), Tyler Ryerson (BURA Staff Liaison), Patrick O'Claire (BURA Treasurer and Finance Director), Dave Waffle (Assistant Finance Director), Bill Kirby (City Attorney and BURA legal counsel), and Josh Carrillo (Program Coordinator).

Election of Officers

San Soucie made a motion to nominate a slate of Jennifer Nye as Chair, and as Vice-Chair Scott Winter, seconded by Jones to approve the slate of officers and the motion passed on a unanimous vote. McCreight turned the meeting over to Nye to chair.

Approval of Minutes

Dawson made a motion, seconded by San Soucie, to approve the minutes of the Budget Committee on June 1, 2015 as submitted and all approved with a unanimous vote.

Visitor Comments

Chair Nye asked for any visitor comments. No visitor comments.



BURA Budget Discussion and Questions

Twete gave an overview of the accomplishments over the past year:

- Successful Storefront Improvement Program \$250,000 —15 design grants and 7 in fall and spring, and some additional funding due to the success of the program
- Tenant Improvement Program \$50,000
- \$500,000 for acquisition of Lot 2 on the Round (site for proposed public parking garage)
- Updated the Five Year Action Plan (identify priorities and opportunities)

Fiscal Year 2016-17 Proposed BURA Budget

Twete provided a brief overview of the proposed BURA budget of approximately \$6.5 million. Some of the catalytic projects that are breaking ground include (refer to page 3 in the budget packet for details):

- Westgate — development proposals for hotel, housing and commercial
- New parking garage (public parking and support the Center for the Arts)
 - Due diligence underway
 - Replace 150 surface parking spaces from Lot 3
- Western Ave Employment Study (develop a common vision for the area)
- Parking Manager (new position, first for the city)
- Affordable housing for the community (what is BURA's role using tax increment resources along with City's general fund, will work closely with City Council)
- Pre-development loan to work with property owners and developers to assist with upfront costs
- Incentive Programs
 - Storefront and Tenant Improvement
 - Development Opportunity Strategy Program
- Land Acquisition (critical to create pipeline for urban projects)
- Beaverton Arts and the Arts Commission to install Public Art (\$50,000) along the Crescent trail connection

Budget detail (refer to the BURA budget documents for more details)

O'Claire explained the BURA agency is comprised of three funds; General Fund, Capital Project Fund, and Debt Services Fund which are detailed on page 2 of the BURA budget document. He described a new item "line of credit" and that COB will work with a financial advisor to establish this multi-year line of credit and then use a bond measure to replace the line of credit. Tax increment funds will pay it back.

O'Claire referenced the high level re-cap of the \$6.5 million budget on Page 2 of the BURA budget packet. He noted the second line from the bottom shows about \$1,200,000 left in contingency at the end of the FY 2016-17 in the BURA general fund.

O'Claire referred members to the detailed BP Worksheet and Justification on page 12 and 13 which shows the increase of the increment over each year. Waffle distributed the BURA Assessed Value Growth bar chart for reference.

O'Claire discussed personnel services for class 05 (pages 14 and 15) and noted that until BURA matures those positions will remain in the City's general fund. O'Claire explained how BURA will be charged for the Programming Staff and the new Parking Manager and the percentages that will be funded by BURA general fund (pages 16 and 17).

O'Claire directed members to pages 18-19 which outlines BURA capital projects and funding sources:

- Daylight loan (set loan amount from COB) BURA pays back the next day, satisfies the legal requirements for capital project costs
- Line of credit proceeds from BURA

O'Claire referred members to the Schedule of Capital Projects handout that lists the capital projects:

- Parking Garage Lot 2 (due diligence phase)
- BURA Land Acquisition Program
- BURA Miscellaneous Projects
- Parking Garage Old Town

O'Claire directed members to pages 30-31 and reviewed the debt service fund used to pay the interest on the line of credit. He finished with the expenditure section (page 32-33) which outlines the interest from the line of credit and the repayment of the short term loan.

Question & Answer/Discussion:

In response to a question O'Claire explained the use of Development Feasibility Analysis (object code 519 page 14 and 15). This would be for infrastructure improvements for the Westgate site, as BURA would provide financial assistance to the developer.

It was clarified that the Transfers to General Fund Overhead (account 901-95-0691801 page 17) is the new Parking Manager position and that BURA funds 75% of this position. The Parking Manager will have some work outside of Urban Renewal area. Twete noted that it is important to bring this person on board soon, probably summer of 2016, to establish guidelines with the business community and property owners to create a system that works for Beaverton.

Another clarification was for Acquisition Due Diligence (account 901-95-0691-501, page 15). These expenses are for studies of a site to understand the condition of property, such as:

- Environmental Site Assessment
- Geotechnical Report
- Title Report

There were several questions regarding use of the line of credit.

What is the difference between a municipal line of credit and corporate line of credit? A line-of-credit is borrowed against a future bond and is based on the projected tax revenues of the urban renewal district. Twete noted the importance to establishing good credit history.

Has Beaverton used this type of credit before? No, Beaverton will use this for the first time and it is based on a model from Portland Development Commission.

How does this line of credit differ from the financial mechanism used to purchase The Beaverton Building? There was no borrowing for the purchase of The Beaverton Building as the city had set aside funds for that purpose. A Special Revenue bond was issued for the improvements to the building and franchise fees were pledged for the repayment. The city's financial advisor recommends the use of a line of credit when the projects are in the conceptual stage.

A question was asked about the location of the old town parking garage? The city sold property in old town that was used as parking (35 parking spaces between two lots). With new growth and development in old town there is a need to replace that parking and add additional parking in order for the community to thrive. No site is locked down at this point in time.

Staff clarified the investments of Storefront and Tenant Improvement for owners compared with the city's investment. Ickabod's for example is investing approximately \$100,000 and the city is investing \$50,000 (matching grant).

Staff clarified that left over funds, at year end, are rolled into the next year.

Approval of 2016–2017 BURA Budget

Doyle moved to make a motion to approve the proposed FY 2016-17 BURA budget and the motion was seconded by Cohen. The motion was approved unanimously.

Adjournment

McCreight adjourned the meeting at 6:11 p.m.